

# DIRECT MARKETING STRATEGIES

## SELLING TO SCHOOLS AND OTHER INSTITUTIONS



Nationally, “farm to school” and other strategies for selling directly to institutions have expanded to include cafeterias beyond K-12 schools, as public policy has promoted healthful diets and as public awareness of “farm to table” has increased. Farms have the opportunity to sell directly to a diverse range of institutions with a range of requirements. The key to success is finding a good match between the institution’s needs and the farm’s products, volumes, and capacity to deliver or arrange deliveries. In general, direct marketing farms sell to institutions in two ways: by creating a direct relationship with the food service buyer or by selling through a food hub or farmer cooperative that can sell, aggregate, and deliver to institutions more efficiently. In all cases, farms will need to invest time in building relationships and regular communication with food service directors, chefs, kitchen staff, and buyers.

### **This fact sheet includes information on:**

- Schools, summer meal programs, childcare facilities, and senior care facilities.
- Hospitals, universities, and corporate campuses.
- State institutional facilities.
- Aggregation and distribution for institutions.

### **Schools, Summer Meal Programs, Childcare Facilities, and Senior Care Facilities**

Schools, summer meal programs, pre-schools and childcare facilities, and senior homes/care facilities are institutions that come in all sizes and are located across Washington. These markets share some characteristics, but have differences that means one may be a better market than another for a specific farm.

### **Selling to schools**

With nearly 300 school districts in Washington, there is a school near almost every farm. What schools require from farm vendors can vary from district to district. Most schools have tight food purchasing budgets and follow specific procurement rules as participants in the National School Lunch Program. Federal school nutrition policies do encourage local purchasing and produce variety in school lunches.

Some schools may focus farm-direct purchases on raw produce, but others also seek local processed ingredients such as fresh cut, frozen, or dried produce; baked goods and jarred foods; and grains, meat, and dairy from local farmers.

Individual school districts may have specific vendor requirements, such as registering with the district’s business office, insurance coverage minimums, product labeling, or invoicing parameters. Some districts require farms to have Good Agricultural Practices certification or other food safety documentation.

School districts also follow procurement rules to ensure competition and fairness among vendors. Farms may get requests for a quote or other paperwork as a part of that process. Schools will likely request products according to specifications based on product size, count, amount, variety, and quality. A farm’s ability to deliver during specific time frames or participate in farm to school education or promotional activities may also be part of the specifications.

### **Building the sales relationship**

Schools follow federal meal and procurement guidelines, but each individual school district makes their own menu and food purchasing decisions. A first step for farmers is to contact the school district’s child nutrition or food services director.

Farms can build a good sales partnership with schools by offering to start small and then steadily build up a purchasing relationship. Participating in “Taste Washington Day,” held the first Wednesday in October, can be a good way to start a relationship. Farms can encourage schools to buy product for just that day or to purchase a single product to feature in meals throughout the month as the “Harvest of the Month.” These special promotions are opportunities to introduce products to schools in a way that allows them to test out new or seasonal ingredients and learn how to work local farm products into their meal programs.

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Farmers can also get involved in farm to school by supporting education about food and agriculture through visits to classrooms or cafeterias, or by hosting staff and student field trips on their farm. School gardens and school district farms are also parts of farm to school that may benefit from farmer involvement.

### Summer meal programs

Summer meal programs provide youths with food they would otherwise receive at school during the academic year. Summer meal programs operate at peak farming season, so they can be a great opportunity for farms to sell direct to schools.

Summer meal programs may be operated by the school district, a local government agency, or a non-profit organization. As a result, product volume, procurement processes, food budgets, and access to kitchen facilities vary.

Most summer meal sites provide simple, portable meals, such as sack lunches, and may be particularly interested in summer fruits or vegetables that require minimal preparation. Start by visiting USDA's website at [fns.usda.gov/summerfoodrocks](https://fns.usda.gov/summerfoodrocks) to find summer meal programs nearby and contact the program's food buyer. Ask the food buyer about the types of food they might like to purchase during the season, how much, and how often they would need deliveries.

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### Farm to School Assistance from WSDA [agr.wa.gov/FarmToSchool](https://agr.wa.gov/FarmToSchool)

The WSDA Farm to School program assists farms, schools and institutions, and communities throughout the state to meet their farm to institution goals. WSDA can help farmers with information and guidance on selling to schools and other institutional meal programs.

WSDA maintains a toolkit of resources on its website for farms and schools to use, such as the "Selling to Schools 101" fact sheet. The online toolkit provides essential food safety, procurement, and other technical information to support farm to institution markets in the form of publications that may be useful for farms to share with school districts when seeking to establish a new sales relationship.

"A School's Guide to Purchasing Washington-Grown Food," published by WSDA and its partners, covers procurement techniques and best practices for schools and other child nutrition programs to purchase locally grown food while following federal, state and school district rules for school food procurement. WSDA's "SAFE Salad Bars in Schools - A Guide for School Food Service" helps schools with best practices for using produce from local farms and school gardens in their kitchens.

The Farm to School online resources also include tools that help schools use and promote locally grown ingredients.

The "Washington Grown Food and Recipe Kit" provides recipes, menu plans, and educational materials organized by Washington food type. The Food Kit is searchable by meals for schools, child care, and senior meal programs to find recipes that meet specific nutrition standards for each type of program.

Farmers interested in selling to schools can benefit from participating in promotions like the annual "Taste Washington Day" coordinated by WSDA Farm to School, OSPI Child Nutrition, and the Washington State Nutrition Association.

Farmers can join the Washington State Farm to School Network, [wafarmtoschoolnetwork.org](https://wafarmtoschoolnetwork.org), to connect with others working on farm to school.

Contact WSDA Farm to School staff at [FarmtoSchool@agr.wa.gov](mailto:FarmtoSchool@agr.wa.gov) or 206-256-6157.

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## Childcare and senior care facilities

Childcare facilities vary from home-based programs with fewer than 10 children, to larger centers with hundreds of children on site, some providing one snack per day and others preparing multiple meals per day. Not all programs operate year round. Similarly, residential senior care facilities also vary widely in size, from adult family homes with fewer than six seniors, to nursing homes or retirement communities with hundreds of seniors. These facilities typically serve three meals and a snack each day and operate year-round.

The USDA Child and Adult Care Food Program (CACFP) provides funding and maintains meal requirements and procurement guidelines for child care facilities and adult care facilities. Institutions can use funds from this program to purchase directly from farms in a variety of ways (CSA, farmers market, direct orders, etc.) as long as farms provide a detailed receipt.

Purchasing needs vary. Some childcare facilities may meet their needs with a CSA-style box of produce each week or with purchases at grocery stores or farmers markets. Larger facilities can purchase volumes similar to restaurants or small schools. Visit [findchildcarewa.org](http://findchildcarewa.org) to search for childcare facilities nearby.

Childcare and senior care facilities may find added value in the “perks” that are possible with a direct-farm connection. Childcare facilities may welcome special classroom visits from farmers, allowing children to observe food deliveries, or other activities that enhance their students’ learning experience. Private senior facilities may promote their sourcing from local farms as a selling point for their clients. Contact programs directly to speak with the food buyer to determine whether this market is a good match for the farm.

## Benefits of selling to schools, summer meal programs, childcare facilities and senior care facilities

- Potential for steady year-round markets (with summer meal programs) and consistent order volumes.
- Allows for medium- and high-volume sales in your community and across the state.
- Opportunities to partner on educational programming for students about food and farming.
- Price point can be higher than other wholesale markets.
- Demand for value-added products and minimally processed products.

## Challenges of selling to schools, summer meal programs, and childcare facilities and senior care facilities

- Farm may incur delivery costs or require time away from the farm to make deliveries.
- Farm may be required to carry additional liability insurance and/or third-party, food safety certifications like a Good Agricultural Practices (GAP) audit.
- May require farm to go through a vendor onboarding process, with initial paperwork needed to follow specific invoicing requirements.
- Larger schools may prefer that farms sell through regional distributors.
- Schools and other institutions may seek washed, processed foods (e.g., cut, peeled, diced, etc.) that reduce school kitchen preparation.

## Hospitals, Universities, and Corporate Campuses

Hospitals, universities, and corporate campuses are institutional customers with similar characteristics for direct marketing farms to consider. Many contract with food service management companies that can have more flexibility in purchasing than K-12 schools. Many have multiple dining venues within a campus that operate as smaller businesses with different needs for ingredients, volume, and price, which can mean more opportunities for direct marketing farms to find a good fit.

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Hospitals and extended care facilities recognize the health benefits of eating fresh food and have interest in purchasing from local farms. Some have even signed a pledge to improve their food service, including working more directly with local farms. Health care facilities may start by featuring local food in their public cafeterias, where they have more flexibility in pricing than with patient meals.

Corporate campuses that offer in-house dining services for employees and guests may be more willing to purchase specialty or more-expensive products direct from farms than other institutions, because their diners desire farm to table sourcing, and are willing to pay more for high-quality foods. Some facilities may even host farmers markets or offer a CSA drop-off site for employees.

Universities will have similar standards to corporate employee cafeterias and may even be managed by the same food service companies.

The first step in selling to these types of institutions is to call and identify the executive chef, nutrition or food services director and determine whether the facility is run by a contracted food service company. Ask about featured seasonal items that they may want to purchase and whether they participate in events that support local farms. Learn what their vendor or minimum volume requirements are.

Be sure to provide the buyer with information about all your products, seasonal availability, volumes, packing and processing, as well as delivery schedules and options. Share any marketing materials or information about the farm or its products.

### Benefits of selling to hospitals, universities, and corporate campuses

- May offer a higher price point than other institutions and the opportunity to order and move products quickly.
- Can advertise farm to customers with point-of-sale materials.
- Farm may also be able to advertise or set up a CSA pick-up site at the business.
- Steady year round markets and consistent order volumes.

### Challenges of selling to hospitals, universities, and corporate campuses

- Farm may be required to carry additional liability insurance or third-party, food safety certifications like a Good Agricultural Practices (GAP) audit.
- May prefer that farms sell through regional distributors.
- May be hard to get connected initially with the buyer.
- May have specific delivery requirements.

### State Institutional Facilities

Governor Jay Inslee's Executive Order 13-06 directs state facilities to purchase and promote Washington-grown products whenever practical. Washington State prisons, the Washington State Department of Social and Health Services (DSHS) facilities, and other government-run institutional facilities purchase most of their food from designated vendors contracted by the Washington State Department of Enterprise Services (DES), which requires formalized lowest-cost bidding and has a policy encouraging purchases of Washington-grown food (DES 090-09). Typically, these master contracts are awarded to large distributors with statewide, high-volume infrastructure.

However, state facilitates can and do buy product from farmers and small businesses, via the "direct-buy" option, which allows purchases of up to \$10,000 to be made off the main master contract for products that are not available from that vendor. Washington-grown foods from local farms may be a good product for direct-buy purchases. Search for information on "Direct Buy Procurements" (DES-125-03) at [des.wa.gov](https://des.wa.gov).

DES's Washington Electronic Business Solution System (WEBS) offers one central location where vendors can register to receive notification of government bidding by searching for "WEBS" at [des.wa.gov](https://des.wa.gov) or calling 360-902-7400.

Government agencies have goals for inclusion of minority, women, or veteran-owned businesses. Farm or food business can apply for state certification through the Washington State Office of Minority and Women Owned Business Enterprises; go to [omwbe.wa.gov/certification](https://omwbe.wa.gov/certification) and click on the "State Certification" page.

The Procurement Technical Assistance Center (PTAC), [washingtonptac.org](http://washingtonptac.org) or 360-464-6043, can help small farm businesses navigate government contract opportunities.

### Benefits of selling to state institutional facilities

- Steady year-round markets and consistent, large volumes of product.
- State facilities are encouraged to buy from Washington businesses, including certified minority, women, and veteran-owned businesses.
- Prisons often purchase raw product, because they can process items on site.
- Allows for medium and high-volume sales in your community and across the state.

### Challenges of selling to state institutional facilities

- State institutional facilities are very price conscious with tight budgets.
- Facilities may have highly specific product needs, such as standard packing and grading.
- Farm may need to deliver very high volumes.
- Farms may need to adhere to specific invoicing requirements, payment systems, and longer payment terms.
- Farm may be required to carry additional liability insurance or third-party, food safety certifications like a Good Agricultural Practices (GAP) audit.
- Prisons or detention centers may prefer that farms sell through regional distributors.

## Aggregation and Distribution for Institutions

Institutions frequently need larger volumes of products and prefer to simplify ordering, deliveries, and payment. They are accustomed to working with distributors. These are important considerations for farms when planning to sell to institutions. Some farms work together to collect and distribute products to institutions as official marketing cooperatives or as a food hubs. Cooperatives and food hubs can help to coordinate orders, fulfillment, and labeling. Ensuring product traceability is very important when aggregating products for institutional sales. Co-packing facilities and traditional distributors may also be a resource to facilitate aggregation, minimal processing, packing, sales support, and marketing and distribution of products. See the “Selling through Food Hubs” fact sheet.



#### 9. Insurance

#### 11. Direct Marketing in Washington State

#### 15. Selling to Grocery Stores and Food Co-ops

#### 18. Selling through Food Hubs

#### 22. Good Agricultural Practices

#### 23. WSDA Food Processor License and Facilities